

GOED Board Meeting Minutes

December 8, 2016 • 10:00 a.m.

Governor's Office of Economic Development
60 E South Temple, Suite 300 Salt Lake City, UT 84111

Members Present:	Christopher M Conabee, Jerry Oldroyd, Margaret Jacobs, Josh Romney, Bob Frankenberg, Jake Boyer, Lorena Riffo-Jenson, Stefanie Bevans, Peter Mouskondis
Members Excused:	Mel Lavitt, Brent Brown, Sam Granato, Bob Frankenberg, Bevan Wilson, Annette Meier
Staff:	Val Hale, Ben Hart, Jill Flygare, Thomas Wadsworth, Theresa Foxley, Julia Barnhouse, Michael O' Malley, Hillary Bowler, Chase Christiansen, Sara Adleman, Marshall Wright, Jeff Van Hulten, Virginia Pearce, Vicki Varela, Linda Gillmor
Visitors:	Susan Eisenman, Stephanie Frohman, Colby Cooley, Todd Brightwell, Marshall Wright, Lew Cramer, Michael Parker, Brice Wallace, Marshall Moore, Jonathan Garrison, Brandon Fugal, Karl Sun, Dave Grow, Jordan Bauer, Jackson Carpenter

Welcome

Christopher M. Conabee welcomed everyone to the December 8, 2016 GOED Board meeting.

Approval of the Minutes

MOTION: Peter Mouskondis motioned to approve the November 10, 2016 minutes. Bob Frankenberg seconded the motion. The motion was carried unanimously.

Presentation – Michael Parker, Salt Lake Chamber

Michael Parker thanked the GOED Board for inviting him to present on the Salt Lake Chambers recent study, The Cost of Doing Business. Michael began by providing a copy of the report to board members and staff. Governor Herbert designated over 35 Utah cities as "Business Friendly Communities." These communities reach out to local businesses, review regulations and revise unnecessary regulations. Some business friendly cities include: Clearfield, Cottonwood Heights, Lindon City, South Jordan, and Park City.

Regulation reform is among the easiest and simplest ways that policy makers can influence economic growth. Behind the State's top national rankings, Utah's business climate and costs of doing business have been on the relative decline as other state become more competitive, indicating a need for action. In the report, the Chamber reviewed the following areas: national rankings of Utah's regulatory climate, past efforts to improve analysis of administrative rules, current practices governing analysis of administrative rules, understanding the impact of Utah's current code on the regulatory process, understanding cost-benefit analysis, and best practices from across the nation. Specific recommendations for improvement are focused on: better evaluation of Utah's rules, stopping unnecessary regulation, improving transparency and oversight, and achieving a national model. The study found the 48 % of Utah's rules substantially affect business, 2.88% of rules included quantitative analysis on the impact of 2015, 21 states utilize a more robust analysis of the costs and benefits of rules than Utah, and without better analysis we do not know how much Utah's rules cost our economy.

EDTIF Project – Lucid Software

Project Highlights

Timeline:	2017
Target Industry:	Software Services
Proposed Location(s):	Salt Lake County
Capital Investment:	\$ 11,000,000

Company Overview

Lucid Software is creating powerful cloud-based applications that make work better. By creating intuitive products that everyone can use, Lucid is driving a new way of working based on visual communication and collaboration.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	\$726,269
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	5 Years

Jobs & Revenue

Full time jobs over project lifetime: **339**

The company will provide full time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 5 years: \$ 91,190,287

New State Revenue over 5 years: \$ 3,631,346

Local Incentive

South Jordan is very supportive of this project.

MOTION: Jerry Oldroyd motioned to approve Lucid Software, Inc. for a \$726,269 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 5 years. Bob Frankenberg seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$726,269 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 20% & of qualified new incremental state tax revenues over 5 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 5 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

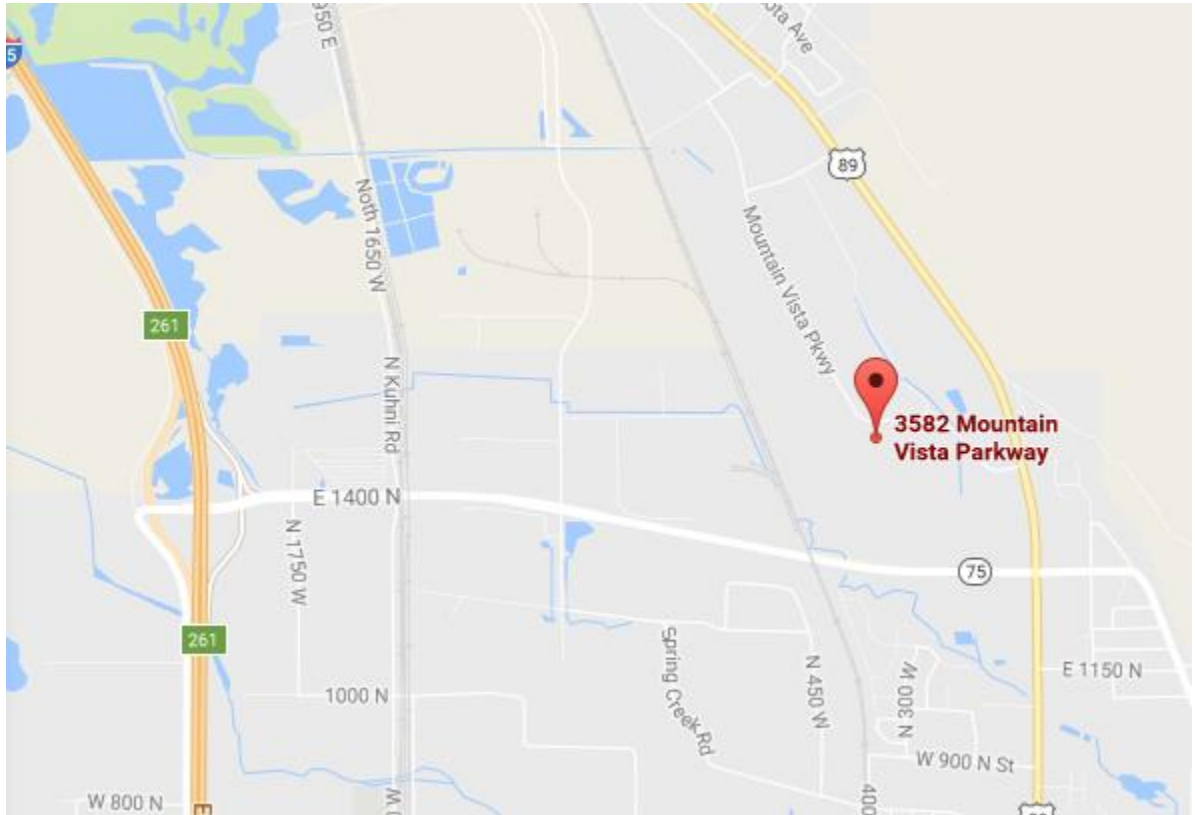
Karl Sun, CEO of Lucid Software, is thrilled and excited for Lucid Software to continue growing in Utah and expanding their workforce. Karl Sun thanked GOED and South Jordan City for their help and the company can't wait to continue to help build their community. The economic landscape and business friendly environment was influential in the decision to stay in the State.

ED Zones – Jerry Oldroyd**PRESS GANEY**

12/6/2016

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE ESTABLISHMENT OF PRESS GANEY AT 3582 S MOUNTAIN VISTA PARKWAY IN PROVO

MOTION: JERRY OLDROYD MOTIONED TO APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR PROVO CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE ESTABLISHMENT OF PRESS GANEY AT 3582 S MOUNTAIN VISTA PARKWAY IN PROVO. STEFANIE BEVANS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.





MAYOR'S OFFICE
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351 W CENTER ST
PO BOX 1849
PROVO, UT 84603

April 13, 2016

Val Hale
Executive Director
60 East South Temple, 3rd Floor
Salt Lake City, UT 84111

Re: Project Trotter

Dear Val:

Provo City is pleased to affirm its commitment to provide a local incentive, in conjunction with a State incentive, for Press-Ganey (Project Trotter).

Currently, Press-Ganey is looking at occupying new building space in the Mountain Vista Business Park, an area with an established CDA. As part of the CDA, Press-Ganey would receive a remittance of a portion of Provo City's personal and real property tax collected by Utah County over the next six years. The total amount could equal a payment of roughly \$150k over that time period. In addition, we've already reimbursed the developer of the building to be occupied by Press-Ganey the amount of \$220k for soil remediation need for the construction project.

We are excited about the possibility of Press-Ganey undertaking this important expansion and investment in Provo. It will benefit both the local and state economies. If you have any questions or need any additional information please feel free to contact me at (801) 852-6166, or dholmes@provo.org.

Sincerely,

Dixon Holmes, Deputy Mayor
Deputy Mayor of Economic Development

Rural Fast Track Endorsements**Clear Line Transportation**

The Rural Development office recommends a Rural Fast Track grant for Clear Line Transportation, located in Providence, Cache County, for the purpose of purchasing an additional Freightliner Cascadia to their fleet to be able to accept another full-time route offered by FedEx Ground. The company expects to create two (2) new full time positions paying 125% of the county average wage. The project is estimated to cost one hundred forty-seven thousand, five hundred dollars (\$147,500).

MOTION: Endorse a Rural Fast Track Grant for Clear Line Transportation of \$25,000.

Funder Customs, Inc.

The Rural Development office recommends a Rural Fast Track grant for Funder Customs, Inc., located in Enoch, Iron County, for the purpose of purchasing a CNC Plasma Welding Table. The company expects to create one (1) new full time position paying at least 110% of the county average wage. The project is estimated to cost forty-five thousand dollars (\$45,000).

MOTION: Endorse a Rural Fast Track Grant for Funder Customs, Inc. of \$22,500.

MOTION: Lorena Riffo-Jenson motioned to endorse the Rural Fast Track grants. Stefanie Bevans seconded the motion. The motion carried unanimously.

Film Incentives**Film – “Bruno Sammartino”****Project Highlights**

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|-------------|------------------|
| • Category: | Documentary |
| • Genre: | True Life |
| • Director: | Frank E. Johnson |
| • Producer: | Frank E. Johnson |

Utah Jobs and Revenue

- | | |
|------------------------------------|--------------------|
| • Estimated Cast: | 0 |
| • Estimated Cast Average Salary: | N/A |
| • Estimated Crew: | 8 |
| • Estimated Crew Average Salary: | \$250 |
| • Estimated Extras: | 0 |
| • Estimated Extras Average Salary: | N/A |
| • Length of Film Production: | 3 shooting 46 Post |
| • Estimated Spend: | \$88,000 |

Project Schedule

- | | |
|--------------------------|---|
| • Prep: | January 2, 2017 through January 20, 2017 |
| • Principal Photography: | January 23, 2017 through January 25, 2017 |
| • Wrap: | January 26, 2017 through January 27, 2017 |
| • Post Production: | January 28, 2017 through March 15, 2017 |

Proposed Motion:

Approve for FEJ Productions, Inc a Motion Picture Incentive Program post-performance cash rebate up to \$17,600(which represents 20% of dollars left in state) for the production of “Bruno Sammartino”.

- Incentive offer based on receipt of a complete CFIP application including a script and proof of financing
- At least 85% of the production’s cast/crew must be Utah residents and/or Utah students
- All minimum required criteria are met as specified on the CFIP rules and incentive contract
- Dollars left in state start date no earlier than 30 days prior to the original Governor’s Office of Economic Development Board of Directors approval

Film- "Room 10"

Project Highlights

- Category: Independent Feature
- Genre: Thriller
- Director: Tim Hunter
- Producer: David Wulf, Braxton Pope

Utah Jobs and Revenue

- Estimated Cast: 13
- Estimated Cast Average Salary: \$933
- Estimated Crew: 81
- Estimated Crew Average Salary: \$300
- Estimated Extras: 165
- Estimated Extras Average Salary: \$101.50
- Length of Film Production: 20
- Estimated Spend: \$1,800,000

Project Schedule

- Prep: January 6, 2017 through February 6, 2017
- Principal Photography: February 6, 2017 through March 3, 2017
- Wrap: March 3, 2017 through March 3, 2017
- Post Production: March 3, 2017 through January 15, 2018

Proposed Motion:

Approve for Sand Dunes Inc, a Motion Picture Incentive Program post-performance tax credit of no more than \$360,000 (which represents 20% of dollars left in state) or no more than \$450,000 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of "Room 10".

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$500,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state.
- Dollars left in state start date no earlier than 30 days prior to the original Governor's Office of Economic Development Board of Directors approval.
- Sand Dunes Inc may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor's Office of Economic Development and the Utah Film Commission, including a \$1,000,000 minimum dollars left in state. At least 75% of the production's cast/crew must be Utah residents and/or Utah students, or 75% of the production's Utah principal production days must occur in a rural area. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$450,000 (25% of the dollars left in state).

MOTION: Stefanie Bevans motioned to approve all film incentives. Bob Frankenberg seconded the motion. The motion carried unanimously.

Presentation – Brandon Fugal, Coldwell Banker's Commercial

Brandon Fugal provided an outlook on the Utah real estate market. Brandon referred to 2016 as the "year of the headquarters" because Utah saw more redevelopment and expansion in Utah in the last year than the history of Utah. Overstock, Vivint Solar, ancestry.com, and Entrada are a few of the most notable headquarters that were developed. The new Eccles Theatre is also a big development in Utah. Utah County has had the most growth, seeing 1.2 million square feet of positive absorption in 2016 versus Salt Lake County which experienced 0.5 million square feet. This is indicative in showing how dynamic the market has become and how critical that the growth of development has become. Salt Lake County has increased vacancies, construction, and absorption at 83%. The growth that Salt Lake County is experiencing is primarily from suburbs, and Brandon predicts that this will continue to increase.

Brandon provided a glimpse of 2017 and anticipates a few megaprojects for the year. One of those projects is the new Mountain America Credit Union building which will be located next to the Hale Center Theatre. Transit-oriented development is also playing a huge role in the development of the Wasatch Front. The growth that the State has

experience has placed Utah on national stage with continued interest from national and international companies. Brandon believes that incentives and public-private engagement will continue to engage the national and international companies and that it is a tool to continue development in the state.

GOED Update

Val Hale, Executive Director, provided an overview of current events within the departments of GOED.

Incentives Update

Theresa A. Foxley, Deputy Director, provided an update on the Incentives Program regarding new and existing projects.

EDCUtah Update

Stephanie Frohman, Interim VP of Business Development, presented on the status of current and upcoming projects in the pipeline.

Meeting Adjourned